

## **Guidelines for Furnishing Information Specified in §130.10**

Pursuant to 22 CFR, Part 130, the Directorate of Defense Trade Controls (DDTC) provides the following clarification of ITAR requirements with respect to reporting political contributions, fees, and commissions.

### **Overview**

When submitting a license or other approval for the export of defense articles or defense services valued in the amount of \$500,000 or more that are being sold commercially to or for the use of the armed forces of a foreign country or international organization, applicants and suppliers must inform DDTC as to whether they or their vendors have paid, offered or agreed to pay political contributions in aggregate of \$5,000 or more, or fees and commissions in aggregate of \$100,000 or more.<sup>1</sup> Additionally, per §130.11, an applicant or supplier must submit a supplementary report if any political contribution aggregating \$2,500 or more or fees or commissions aggregating \$50,000 or more not previously reported or paid, or offered or agreed to be paid, or any subsequent developments cause the information initially reported to be no longer accurate or complete (e.g., additional transactions occur or a payment made substantially differs from the amount reported) to DDTC within 30 days after the payment, offer or agreement reported therein.<sup>2</sup>

### **Report Content**

When submitting Part 130 reports to DDTC, per §130.10 applicants and suppliers are required to include the following:

(a)(1) **Total contract price of the sale to the foreign purchaser.** Contract name and/or description of the export should be incorporated into the Subject header. Subject should also include agreement number, if applicable, and license number at a minimum.

(a)(2) **The name, nationality, address and principal place of business of the applicant or supplier.** Note, all four items must be provided. Additionally, if the name of the applicant/supplier's **employer** differs from the above, then this information, as well as the **employer's title** must be provided.

(a)(3) **The name, nationality, address and principal place of business for each foreign purchaser, to include the ultimate end-user** (to be identified as such). Again, if the name of the **employer** for any of these parties differs from the party itself, then this information, as well as the **employer's title** must be provided.

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<sup>1</sup> These requirements extend to re-exports and re-transfers of USML items, as well as sales of foreign military items with U.S. components. In such instances, applicants and suppliers must reference payments to advisers and representatives, as well as related payments by those persons to others.

<sup>2</sup> Ref. §130.2-8 for definitions which apply to this part only.

When reporting individual transactions involving political contributions that exceed \$2,500 or fees or commissions that exceed \$50,000, the following information must also be included:

(a)(4)(i) **The amount of each payment, offer, or payment agreed upon.** These entries should reflect the individual transactions, and not total or aggregate figures.

(a)(4)(ii) **The date or dates on which each reported amount was paid, or offered or agreed to be paid.** This requirement applies to each entry made in response to the previous paragraph.

(a)(4)(iii) **The recipient of each such amount paid, or intended recipient if not yet paid.** Reference item (b)(2) below for additional requirements.

(a)(4)(iv) **The person who paid, or offered or agreed to pay such amount.**

(a)(4)(v) **The aggregate amounts of political contributions and of fees or commission.**

(b)(1) **With respect to each payment reported, state whether such payment was in cash or in kind. If in kind, it must include a description and valuation thereof.** In the example matrix provided below, these data have been combined with the “Amount Paid or to be Paid” figure. Should a transaction be input as “paid in kind,” then the related description and valuation data should appear immediately following the entry.

(b)(2) **With respect to each recipient, state its name, nationality, address and principal place of business, its employer and title, and its relationship, if any, to the applicant, supplier, or vendor, and to any foreign purchaser or end-user.** For reasons of efficiency, these data may be merged with the response to (a)(4)(iii) above. See example below.

### **Example Report**

To ensure accuracy and completeness of data, DDTC recommends individual transactions (reference §130.10(a)(4) and (b)) be presented in a manner similar to the following:

Category	Type	Amount paid or to be paid	Date of Transaction	Recipient	Payer	Aggregate amount
Fees/ Commissions	Previously reported	\$0	N/A	N/A	N/A	\$150,000
	New	\$53,500  (paid in cash)	10 Apr 13	Steve Hemler (UK), ABC Teknologi Servicere, Vice President Sales, 24601 East Street, Westhaven, Rijkstan	Mr. Nick Shana (US), BMP Systems, Inc. Vice President of International Sales, 1963 Kincheloe St. Sault Ste. Marie, MI 49783	
	New	\$78,000  (paid in cash)	25 May 13	Steve Hemler (UK), ABC Teknologi Servicere, Vice President Sales, 24601 East Street, Westhaven, Rijkstan	Ms. Jess McDanielle (US), BMP Systems, Inc. President of International Sales, 1963 Kincheloe St. Sault Ste. Marie, MI 49783	
	Aggregate fees of < \$50,000	\$18,500				
Political Contributions	Previously reported	\$5,500	N/A	NA	N/A	\$5,500

In the example above, two new transactions are being submitted. Both involve the distribution of fees and/or commissions. The “Aggregate Amount” block for “Fees and Commissions” reflects the total of these two transactions plus an amount previously reported (in this case \$0) and an amount (\$18,500) whose (a)(4) details are not provided since none of the *individual* payments that comprise this amount has met the \$50,000 threshold described in § 130.10(c)(2).

Also, while no new political contributions are included in this report, the matrix reflects previously reported payments in the amount of \$5,500. Since these transactions were captured in earlier submissions to DDTC, only the aggregate amounts must be restated. Date(s) of transactions, recipient(s), and payer(s) for previous identified payments are not required.

For additional guidance or clarification, please contact the DDTC Response Team at (202) 663-1282 or by email at [DDTCResponseTeam@state.gov](mailto:DDTCResponseTeam@state.gov).